

**MINUTES
OF THE SPECIAL MEETING OF THE
EDINA CITY COUNCIL HELD AT CITY HALL
ON DECEMBER 6, 2004 AT 5:00 P.M.**

ROLLCALL Answering rollcall were Members Housh, Hovland, Masica and Mayor Maetzold. Member Kelly was absent.

TRUTH IN TAXATION PUBLIC HEARING HELD FOR PROPOSED 2005 CITY BUDGET Pursuant to published notice given, the Edina City Council conducted a public hearing on the proposed property tax increase in the 2005 Budget for the City of Edina, as mandated by Chapter 375, Laws of Minnesota 1993.

Mayor Maetzold stated the purpose of the Truth in Taxation hearing would focus on the proposed 2005 City of Edina Budget. The budget review relates to the monies' source and how they are expended on the various functions and services of the City. Residents with questions relating to the valuation placed on their homes should plan to appear at the Board of Review in April of 2005.

Manager Hughes noted this was the second step in the budget adoption process. The Council in September adopted a maximum levy and later in December will adopt the actual budget and levy. Mr. Hughes reviewed the 2005 proposed expenditures of \$25,232,296. He explained this would be an increase of \$990,029 or approximately 4.08%. Tax revenues must increase \$871,149 or 4.81% from 2004 to support the proposed expenditures. It was noted that the City of Edina receives 22% of the property tax bill, with 31% going to local schools, 39% going to Hennepin County and 8% to other taxing entities.

Member Housh said he had a couple of questions: 1) an estimate of the amount of increase that would be seen by reinstating the Health Department position; and 2) the probability of the Financial Crimes Task Force funding being reinstated. Mr. Hughes said the cost for the Health Officer would be approximately \$30,000. Chief Siitari noted the Financial Crimes Task Force had been an unfounded mandate, which the U.S. Attorney funded. He said the funding will end in July of 2005 and they are searching for funding, but it was still up in the air at this time.

Member Masica asked if School District 273's levy included the most recent referendum, and what was the City's policy in setting wage adjustments. Mr. Hughes replied the School District levy did reflect the referendum. He explained that when setting wage adjustments, the City looks at the market, its own historical adjustments, the Consumer Price Index and its own labor contracts.

Member Hovland asked if the City were in its second year in its contracts and what was the net impact of reducing the employee benefit contribution from \$32.00 to \$20.00. Mr. Hughes answered the union contracts were in their second year. Assistant Finance Director Gibbs said the net impact on the General Fund of reducing the employee

benefit contribution to \$20.00 was about \$27,000. She said there would also be an impact on the enterprise funds, but that amount was not available.

Public Comment

No one appeared to comment.

Member Masica made a motion to close the Truth In Taxation Hearing. Member Hovland seconded the motion.

Ayes: Housh, Hovland, Masica, Maetzold

Motion carried.

There being no further business on the Council Agenda, the Mayor adjourned the meeting at 5:20 p.m.

City Clerk